



CONNECTICUT

**TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS
BY
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR**

**OPPOSING HB-6350, AA ELIMINATING EXEMPTIONS FROM THE SALES & USE TAX;
OPPOSING HB-6349, AAC SALES TAX ON SERVICES;
OPPOSING HB-6348 & SB-815 ACTS CONCERNING TAX CREDITS**

**BEFORE THE
FINANCE, REVENUE & BONDING COMMITTEE
FEBRUARY 9, 2009**

The National Federation of Independent Business (NFIB), Connecticut's and the nation's leading small-business advocacy association, respectfully submits the following comments opposing the aforementioned bills:

Passage of any of these tax proposals would result in tremendous hardship for our state's small businesses, and long-term economic fall-out that Connecticut may never recover from. Lawmakers must consider the impact of various proposals as a whole on Connecticut's small businesses and the entire economic climate of the state.

Small business feels that lawmakers focus only on the problems they and their immediate colleagues create for small business owners. While Congress only looks at the federal tax structure; the state legislature looks only at Connecticut taxes; and municipal bodies only consider the local taxes that they impose. No one, except the small business owner who must pay all the taxes, looks at the accumulation of levies. Owners see the tax problem as a whole and do not distinguish among the problem's sources.

The problem that seemingly no policymaker wants to address is the long-term fiscal problems of state government. While huge state deficits are not directly a small business problem, the taxes required to fund government are, as are the programs those taxes pay for. Small business therefore has a huge stake state in fiscal policy. But to return current troubling fiscal trends to a rational course of reduced spending will require difficult political decisions that lawmakers seem abhorrent to discuss, let alone make.

In order to survive, remain competitive and in business in the highly taxed, highly regulated, harsh economic climate of Connecticut, small businesses have *their* fiscal house in order. It is about time that state government does the same.